

Michael A. Condyles (VSB 27807)
Loc Pfeiffer (VA 39632)
Peter J. Barrett (VSB 46179)
KUTAK ROCK LLP
Bank of America Center
1111 East Main Street, Suite 800
Richmond, Virginia 23219-3500
Telephone: (804) 644-1700
Counsel to Schottenstein Property Group, Inc.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:

CIRCUIT CITY STORES, INC., *et al.*,

Debtors.

Case No. 08-35653-KRH
Chapter 11
Jointly Administered

**OBJECTION OF SCHOTTENSTEIN PROPERTY GROUP, INC.
TO CURE AMOUNTS PROPOSED BY DEBTORS**

Schottenstein Property Group, Inc. (“Schottenstein”), by counsel, states the following for its objection to the proposed cure amounts set forth on Exhibit B to the Debtors’ Motion for Orders Under 11 U.S.C. §§ 105, 363, and 365 (I) Approving Bidding and Auction Procedures for Sale of Unexpired Nonresidential Real Property Leases for Closing Stores, (II) Setting Sale Hearing Date, and (III) Authorizing and Approving (A) Sale of Certain Nonresidential Real Property Leases Free and Clear of Liens, Claims, and Encumbrances, (B) Assumption and Assignment of Certain Unexpired Nonresidential Real Property Leases, and (C) Lease Rejection Procedures (the “Auction Motion”):

BACKGROUND

1. On November 10, 2008, Circuit City, Inc. and its affiliated debtors (the “Debtors”) filed a voluntary petition under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in this Court. The Debtors are operating their businesses and managing their properties as debtors-in-possession.

2. Schottenstein is the managing agent/landlord for two shopping centers leased by the Debtors and affected by the Auction Motion (the "Leased Premises"). The Leased Premises are described as follows:

- a. Store # 853 – Hickory Ridge, Memphis, Tennessee.
- b. Store #3802 – Erskine Village Shopping Center, South Bend, Indiana.

3. The Leased Premises are non-residential, real properties that the Debtors' lease for their retail stores pursuant to certain unexpired leases (the "Leases"). The Leased Premises are located in "shopping centers" for purposes of Bankruptcy Code § 365(b)(3).

4. In the Auction Motion the Debtors seek, among other things, an Order approving proposed cure amounts for the leases they may sell at auction. In Exhibit B, the Debtors set forth proposed cured amounts with respect to the Leases.

5. Schottenstein objects to the proposed cure amounts stated by the Debtors with respect to the Leases. As of December 10, 2008, the correct cure amounts, excluding other charges below, are as follows:

- a. Store # 853 – \$38,322.99 (v. \$13,254.00 proposed by the Debtors).
- b. Store #3802 – \$27,391.50 (v. \$10,254.00 proposed by the Debtors).

6. Schottenstein also objects to the proposed cure amounts because they do not address any of the reasonable costs, fees, or expenses incurred to date in conjunction with Debtors' defaults under the Leases or in conjunction with this bankruptcy proceeding, for which the Debtors are liable under the terms of the Leases.

7. Schottenstein also objects to the proposed cure amounts to the extent that charges such as real estate taxes and common area maintenance are owed under the Leases and that are adjusted and trued-up at the end of the year.

8. Schottenstein reserves the right to adjust its damage calculations to account for any further default under the terms of the Leases occurring prior to any actual assignment of such Leases.

9. Schottenstein joins in the objections raised by the other landlords to the extent such objections are not inconsistent herewith.

WHEREFORE, Schottenstein requests the Court to (i) order the Debtors pay the correct cure amounts, including the expenses, costs, and fees associated with the respective lease defaults and bankruptcy proceedings; (ii) order the Debtors (or, in the alternative, any assignee of any the Leases) to meet such requirements as the Court may deem appropriate with regard to adequate assurances of payment of the year-end adjustments or damages from any default under the terms of the Leases prior to any actual assignment; (iii) award such other relief as this Court deems appropriate.

SCHOTTENSTEIN PROPERTY GROUP, INC.

/s/ Loc Pfeiffer

Michael A. Condyles (VA 27807)

Loc Pfeiffer (VA 39632)

Peter J. Barrett (VA 46179)

KUTAK ROCK LLP

Bank of America Center

1111 East Main Street, Suite 800

Richmond, Virginia 23219-3500

Telephone: (804) 644-1700

Facsimile: (804) 783-6192

Counsel to Schottenstein Property Group, Inc.

CERTIFICATE OF SERVICE

I hereby certify under penalty of perjury that on December 10, 2008, a true and exact copy of the foregoing objection was forwarded via ECF notification or by first class, postage prepaid, to the following necessary parties as set forth in the Order Establishing Certain Notice, Case Management, and Administrative Procedures entered November 13, 2008: (i) the Office of the United States Trustee for the Eastern District of Virginia, (ii) the Debtors and bankruptcy co-counsel, (iii) counsel to the Official Committee of Unsecured Creditors, (iv) counsel to the agents for the Debtors' pre-petition lenders, (v) counsel to the agents for the Debtors' post-petition lenders, and (vi) all parties that have requested notice pursuant to Bankruptcy Rule 2002.

/s/ Loc Pfeiffer
KUTAK ROCK LLP
1111 East Main Street, Suite 800
Richmond, Virginia 23219
Telephone: (804) 644-1700
Facsimile: (804) 783-6192